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The decline of ag? Newsom's diesel ban brings a new level of uncertainty to growers and truckers

In 15 years, all new tractors and pickups sold in California must be zero-emission vehicles under an executive order Gov. Gavin Newsom issued on September 23. In 2045, the same rule will apply to all commercial shipping and yard trucks.

But the impact doesn't stop at the California border. The order would impact truckers entering California, requiring other states to also invest in charging stations and other infrastructure.

The agriculture and trucking industries are scrambling to understand the impacts of the order as well as the many hurdles ahead. While urban areas have already started investing in charging stations for electric cars, that infrastructure does not exist where farmers and ranchers work.

Bringing the needed power lines to farms, retrofitting barns for the hookups and adding charging stations along roads in and around California would cost more than \$10 billion, according to some estimates. Uncertainty also surrounds the utilities supplying the power — from planned shutoffs to rolling blackouts and controversial bankruptcies.



Robert Spiegel, a policy advocate for the California Farm Bureau Federation

“We're setting ourselves up for a process that's going to lead to a whole bunch of unintended consequences,” said Matthew Allen, who directs legislative affairs for the Western Growers Association.

The cost for a yard truck at a food processing facility swings from \$50,000 for a used truck to as much as \$400,000 projected for a new electric version, with another \$100,000 in infrastructure costs, according to estimates by the Air Resources Board (CARB).

“We're at a tipping point for agriculture, as relates to the ongoing costs of compliance for all of these regulations,” said Robert Spiegel, a policy advocate for the California Farm Bureau Federation.

This comes as California agriculture anticipates at least \$10 billion in losses — about 20% of the total farmgate value — due to the pandemic. Allen noted that restaurants are just starting to come back online, with some but not all opening at 25% capacity.

Unlike electric cars, zero-emission technology is not readily available for trucks and tractors.

“The commercial zero-emission truck market is trailing where light-duty passenger cars are by at least 20 years,” said Chris Shimoda, vice president of government affairs at the California Trucking Association. “There is no commercial electric or hydrogen fuel cell truck market today in the states.”

He expects the cost for an electric or fuel cell truck to be as much as three times that of a new diesel truck. Until fuel cell trucks are readily available, Shimoda envisions cleaner diesel trucks continuing to handle the longer haul operations. Zero-emission trucks would be ideal for smaller classes with short ranges and a centralized yard.

He said hauling ag products to ports with electric trucks presents a number of problems. The Port of Oakland, for example, has steep grades going into the Bay Area, requiring a fully charged truck for each direction of travel.

Some companies are experimenting with prototypes for medium- and heavy-duty trucks. Fewer have considered electric tractors and harvesters, with those being smaller European companies within only the last five years and not any major U.S. manufacturers. Spiegel said discussions are just beginning with those equipment manufacturers.

The technology still has far to go to meet the horsepower and torque needs for tractors and the reliability needs for commercial trucks.

“How long does it take to charge?” said Allen. “We're talking about fresh produce.”

American Coalition for Ethanol CEO Brian Jennings contends California and other states still rely to an extent on burning coal to generate the electricity that would power the charging stations.

That's hardly emission-free,” he said. “There's really no such thing as a zero-emission vehicle.”

Jennings added that California is putting a target on internal combustion engines when it should be working with the ethanol industry and automakers on ways to improve the fuel that’s already used. California currently prohibits E15, gasoline that contains 15% ethanol, he pointed out in an Open Mic podcast.



American Coalition for Ethanol CEO Brian Jennings

Newsom’s order upends other emissions reduction efforts. In the San Joaquin Valley, the air district has been working with farmers to upgrade enough trucks and tractors to tier four emissions standards to meet air quality requirements that take effect in 2023. Now those farmers will have to replace those vehicles with zero-emission, or tier five, versions a decade later.

“A tremendous amount of air quality benefits has occurred,” said Manuel Cunha, Jr., president of the Nisei Farmers League. “About 8,000 tractors have been replaced.”

He attributed the success to the voluntary approach the program has implemented over the last 15 years. While various state and local grants have played an important role, farmers have matched 50% of total funds. Cunha and the air district have also invested efforts in educating U.S. EPA officials about the needs of agriculture when it comes to lower emissions standards.

“We’ve done all sorts of pilot testing so we can understand how this equipment can work in our environment,” he said, adding that Newsom did not understand how his order would impact the industry. “We want to clean up the air. We want a clean environment. But at the cost of shutting down all of our farmers?”



Manuel Cunha, Jr., president of the Nisei Farmers League

While the focus has been on clean cars and trucks, CARB has also been implementing a rule to require refrigeration units on shipping trucks to go electric, requiring yet more charging connections at facilities.

Newsom’s order comes at a time when state funding for incentive programs has been drying up. CARB’s FARMER program for replacing tractors and other ag equipment saw a dramatic cut in funding when the state’s cap-and-trade market drew just \$25 million in revenues to be split across many initiatives, from clean drinking water to wildfire management. Cunha argued the \$2 billion already allocated to the state’s high-speed rail project from the fund should instead be spent on incentive programs like FARMER.

Policy advocates for agriculture worry CARB will reopen the rulemaking and require the industry to purchase carbon offset credits or require utilities to buy more credits, at an added cost to ratepayers. Utility fees — the highest in the nation — already cover the state’s investments in its Renewable Energy Portfolio and utilities’ wildfire mitigation activities.



Chris McGlothlin, a policy adviser for the Western Agricultural Processors Association

Shimoda said the state should be prepared to do much more for incentives for commercial trucks as well. California currently offers about \$200 million a year to incentivize zero-emission trucks. At that rate, CARB would need to spend about \$2 billion a year to achieve the goal of upgrading just 15% of the overall trucks on the road, according to an agency estimate.

Shimoda noted that the state at some point will have to decide if infrastructure for charging electric trucks takes priority over spending on other crises, such as upgrading outdated electrical infrastructure to prevent wildfires.

Many other practical concerns are being raised for such high-end technology as zero-emission trucks and tractors, including the cost for specialized technicians to repair the equipment.

“Our guys are gear heads,” said Spiegel. “They like to tune and play with their equipment.”

Tractors often last 30 years this way, and because some equipment is used only during harvest season. Farmers are concerned that finding replacement parts for diesel engines would be increasingly difficult as the ban goes into effect. It is raising concerns about how prevalent the infrastructure for servicing and refueling diesel engines will be after the ban. While the rule does not take effect until 2035, it may be disincentivizing growers already from investing in new low-emission technology, said Allen.

Chris McGlothlin, a policy adviser for the Western Agricultural Processors Association, said the order will impact all agricultural equipment; ATVs and irrigation pumps fall under the same category as tractors.

Cunha said one ATV requires about nine batteries and costs around \$15,000, about double a gas-powered ATV today. And manufacturers have been raising the price tag for the electric versions as CARB has implemented new mandates, he said.

Pickup trucks fall under the 2035 ban as well as the 2023 deadline for the valley air district.

Since the executive order was issued, CARB has made significant new developments that have broadened the range of facilities required to register and report the trucks they own and operate as well as contract with, according to McGlothlin. This could include company contracts with haulers and subhaulers as well as garbage pickup. Those companies must also convert to electric, at an added cost to the client companies.

The procedure Newsom chose for enacting the ban has raised questions as well. He charged CARB with the rulemaking process, which allows the public to weigh in. But many believe the process should be led by elected officials rather than appointed agency directors. The Legislature would instead run the measure through the appropriate policy committee to weigh the economic and social impacts, said Spiegel.

The executive order works by fast-tracking regulations that have long been in the works for CARB. The Advanced Clean Truck rule passed in June established thresholds for which industries and trucks would be incorporated into the zero-emission mandate.

“[The executive order] is going to be a broad brush for essentially all vehicles,” explained Allen.

CalEPA would need approval from U.S. EPA for a waiver allowing for the bans on combustion engines. That approval depends on the makeup of Congress and the executive branch over the next 15 years, including changes resulting from the November election.

Cunha argued CARB is overreaching in its rulemaking for the executive order and the waivers it does have are for reducing emissions but not for banning equipment.

“That waiver is going to be very tough to get, if we have anything to do about it,” he said.

Cunha also sees the governor’s order as interfering with interstate commerce and weakening already heavily regulated businesses in California.

“I can't compete against other states,” he added.

CARB has already begun the process of implementing the executive order, according to McGlothlin. Shimoda expects the board will consider new regulations before 2022.

California food and ag bills to watch for next year

CDFA expects to see several bills return in 2021 that failed to pass during the recent two-year session for the Legislature. This includes a climate resilience bond and contentious measures on single-use plastics in packaging, broadband and waste byproducts.

During the monthly meeting for the State Board of Food and Agriculture on Tuesday, CDFA Deputy Secretary for Legislative Affairs Rachel O'Brien laid out a few bills to watch for next year, particularly with issues related to climate change. Yet the budget crisis will continue to dominate the policymaking.

Assembly Bill 1071 had proposed a program encouraging climate adaptation tools among farmers, such as participating in CDFA’s Healthy Soils Program and other pilot and demonstration projects. Several bills offering incentives programs like this, however, were stripped of funding or died in the process altogether.

“Ultimately, you know, the budget restraints are going to be a factor in many things going forward,” cautioned O’Brien.

Another bill related to climate impacts sought to establish a carbon offset program for whole orchard recycling. Due to the pandemic and consolidated legislative year, the bill never had a committee hearing. O’Brien said the Air Resources Board is currently pursuing what a financing mechanism like that would look like and what legislation may be needed to address the issue.

One contentious bill took aim at solid waste franchises and byproducts originating from supermarkets, grocery stores, restaurants and other retail food establishments. The bill divided

the agriculture community and failed to make it out of committee. The issue is also under litigation.

“This is a very complex conversation,” said O’Brien. “We’ll continue to see that one play out.”

AB 1080 and SB 54 on plastic packaging products and the circular economy surprised many by failing to pass at the last hour for two years in a row. The bill would have imposed a comprehensive regulatory scheme on producers, retailers and wholesalers for single-use packaging.

“This is definitely something that a lot of the stakeholders recognize that we need to get our arms around,” said O’Brien. “A lot of people are still trying to put their heads together to figure that out.”

Bills tackling more positive issues for the industry will make comebacks as well. One on olive oil labeling and the usage of the California name and regions in marketing products will likely return. O’Brien expects to see more bills related to California Grown and bringing locally sourced foods to schools and institutions.

“We continue to ask our growers to grow to some of the highest standards, while at the same time recognizing their value and that we want to eat and share the bounty of what they grow,” she said.

CDFA Secretary Karen Ross tempered expectations for some of these, warning that the pandemic has “dramatically changed our fiscal situation.”

“We’re going to have to be very focused on how the resources we do have are spent and how we look at partnerships and alignment with investment portfolios, private investors,” she said. “We’re going to have to be very creative on financing.”

Becerra sends new challenge on Shasta Dam Plan

California Attorney General Xavier Becerra sent a comment letter on Monday, citing more reasons to oppose the Trump Administration’s effort to raise the Shasta Dam.

The Bureau of Reclamation has proposed raising the 600-foot-tall Shasta Dam by 3% or an additional 18.5 feet. The proposed project would increase water storage capacity in the Shasta Lake reservoir by 634,000 acre-feet or more than 200 billion gallons—enough water to support two million people a year, according to BOR.



AG Becerra

In February 2020, the Bureau set aside \$8 million for preconstruction engineering and design work to raise the dam and enlarge the Shasta Reservoir. In June 2020, the Trump Administration requested construction funding in the federal budget to raise Shasta Dam.

“The Trump Administration is committed to delivering reliable water to Californians and throughout the West, and long overdue investments need to be made in California’s aging infrastructure to meet current demands,” said BOR Commissioner Brenda Burman when making the proposal. “California simply does not have enough carryover storage, and this is a strategic project that is smart, cost-effective and an environmentally sound investment for California.”

The Bureau sought public input on the Shasta Lake Water Resources Investigation Draft Supplemental Environmental Impact Statement in an August notice. Comments were due by close of business on Oct 5.

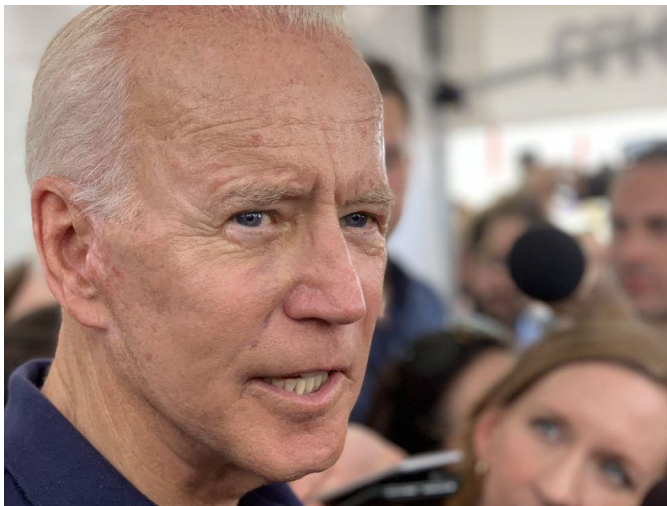
In his letter, Becerra argues that the proposal by the U.S. Bureau of Reclamation relies on an incomplete draft supplemental environmental impact statement. Raising the level of the Shasta Dam poses significant adverse effects on the free-flowing condition of the McCloud River and on its wild trout fishery. This effort would have a significant negative impact on the river’s fisheries and habitats, and submerge sacred sites of the Winnemem Wintu Native American Tribe.

“The Trump Administration should stop tampering with California’s waters. BLM’s latest attempt to unlawfully raise the Shasta Dam is a poorly-cloaked move to evade the Clean Water Act,” said Attorney General Becerra. “As long as Trump officials keep trying to skirt the rules, we’ll keep them honest.”

Last year, Attorney General Becerra defeated an attempt by Westlands Water District to push forward the Bureau's proposal to raise Shasta Dam. Today’s comment letter continues the California Department of Justice’s efforts to prevent this harmful proposal from moving forward.

In a Biden administration, navigable waters rule is likely target

The Trump administration's rule reducing the number of wetlands and other areas regulated by the Clean Water Act is likely to be in the cross hairs if Joe Biden wins the presidency, but it would probably take his administration some time to act against that and other regulatory rollbacks.



Former Vice President Joe Biden

Trump’s Navigable Waters Protection Rule, finalized earlier this year, removed restrictions on discharges of pollution into ephemeral streams and is strongly supported by most farm groups. It replaced the Obama-era "waters of the U.S." rule that had expanded the jurisdiction of the antipollution law.

“The one thing I can’t imagine happening is that a Biden EPA would allow the Trump rule to stay in place,” said former longtime Justice Department attorney Stephen Samuels, who handled Clean Water Act litigation.

A former EPA attorney who was deeply involved in writing the 2015 WOTUS rule that has since been scrapped by the Trump administration agrees. “I think it's pretty predictable we would see a rollback of the 2020 rule,” said Mark Ryan, now with Ryan & Kuehler in Washington state.

But how that would happen is another question. The administrative rulemaking process, which the Trump administration used to repeal and replace WOTUS, could be the easiest route to go. Theoretically, if Democrats win control of the Senate and maintain control of the House, it would be possible to repeal the Trump rule legislatively, but Democrats likely would have to eliminate the filibuster to make that happen. Democrats are unlikely to have anywhere close to the 60 votes necessary to overcome a filibuster.

“Without legislation, my own view is that the Biden administration would mostly follow the process used by the Trump EPA: begin the rulemaking process while staying the rule that's currently on the books,” said Samuels.

The Trump rule also is under attack in courts around the country, and Ryan said he would expect a Biden administration to immediately stop defending the NWPR. That would mean ag and other industry groups would have to step in to defend the Trump rule just as environmental groups did to defend WOTUS after lawsuits were filed challenging it.

The Biden campaign itself has said only that it would take a look at the NWPR. In an answer to an American Farm Bureau Federation survey, the Biden campaign said, “Given the importance to human health, the economy, and the environment, our administration will review the [NWPR] to ensure appropriate protections are in place to protect and improve water quality for the benefit of all citizens.”

“We will work closely with farmers and ranchers to promote clarity and certainty by maintaining previous exemptions and exclusions upon which the agricultural community have come to rely,” the campaign said. **“With this and other actions, we will work closely with our agricultural partners to ensure a bright future for rural communities.”**

The Trump campaign pledged that the Trump-Pence administration would “continue to fight against regulations like the WOTUS rule,” but warned that a Biden Administration would allow “radical environmental [activists to] write new and worse rules for farmers and ranchers than we have ever seen.”

AFBF’s Don Parrish, a senior director of regulatory relations who is the group’s point person on the CWA, would say only of Biden, **“He was part of the Obama administration when they wrote the rule that we had all the problems with.”**



Former Ag Secretary Tom Vilsack

Former Agriculture Secretary Tom Vilsack, who is advising Biden, told *Agri-Pulse* that campaigns usually don’t get into the weeds on issues, but echoed the campaign’s response to AFBF, **saying Biden believes in a “transparent” regulatory process and in “proactive”**

outreach “to folks who could be impacted by a rule or regulation before [it’s] proposed to fully understand the real-life implications of what might be considered.”

Pesticides are another issue sure to get attention in a Democratic administration. A pesticide lobbyist said chlorpyrifos, which environmental and farmworker groups have tried for more than a decade to remove from the market, would almost assuredly be a target of a Biden administration.

“It’s hard to see how a product that has been such a punching bag would not get harsh treatment in a Biden EPA,” said the lobbyist, speaking on condition of anonymity. The lobbyist added, **“Come January, I think all bets are off,” with “more highly visible” products such as dicamba vulnerable to scrutiny.**

Brett Hartl, director of Washington affairs at the Center for Biological Diversity, an environmental group, agrees with that assessment. **“I would expect you would see another reversal,” he says, referring to the Obama administration’s proposal to ban chlorpyrifos, later reversed by President Trump’s first EPA Administrator, Scott Pruitt.**

CropLife America CEO Chris Novak said the pesticide regulatory process is based on science, not politics, “so we know [EPA] scientists will continue to do their jobs no matter who wins the 2020 election.

“Former Vice President Biden has expressed a commitment to using science to address health and environmental issues,” Novak continued, in a statement provided to *Agri-Pulse*. “We appreciate this commitment, but look forward to learning more about how this would be implemented through new policies and programs to support agricultural innovations.”

Biden’s overarching policy priorities would likely steer his environmental agenda, said Byron Brown, a lawyer at Crowell & Moring in Washington, who was deputy chief of staff for policy at EPA in 2017 and 2018 and worked in the agency’s Office of General Counsel from 2001-2011.

“The Biden campaign is focused on three main issues — climate change, infrastructure and environmental justice,” he said. “Whatever they end up doing will have to advance those overarching policy goals.”



President Donald Trump

But he also said that whatever a Biden administration does, “I think they will end up taking a deliberate approach,” relying on “very professional people.”

Ryan, who served under both Republican and Democratic administrations, said Democrats are less likely than Republicans to move quickly.

“The Democrats are much more hand-wringers than the Republicans,” he said. “Republican administrations in general give less thought to what the public blowback will be and just do things, whereas the Democrats wring their hands and worry incessantly forever before they try anything.”

Brown also noted that changing regulations administratively takes time. For example, despite Trump’s issuance of an executive order early in his administration — February 2017 — to kick-start the process of rewriting WOTUS, it still took until April 2020 for a final rule to be issued.

Another issue that could come to the forefront if Biden wins election would be the major changes to the National Environmental Policy Act contained in a July rule and now being challenged in numerous courts. **There’s no question Biden opposes the effort; his campaign said when the NEPA rule was announced that Trump “is attempting to destroy a bipartisan, cornerstone law.”** The amount of litigation brought against EPA rules by Democratic-run states could make it difficult to fill top positions at a new EPA, Brown said.

“With so many states suing Trump over environmental regulations, that might disqualify some capable people,” he said.

A Biden administration also would be under pressure from the conservation community to beef up funding and strengthen regulations protecting endangered species.

But no one has a crystal ball.

“Everybody pins their biases and aspirations onto a relatively blank slate,” Hartl said. “It’s hard to extrapolate what Biden’s agenda will be.”

Pressure mounts for controversial US-Taiwan FTA

China, the largest export market for U.S. soybeans, is dead set against any talk about the U.S. and Taiwan forging a closer alliance, but that’s not stopping the momentum that’s building between the two countries.

The latest push on this side of the Pacific comes from a bipartisan roster of 50 U.S. senators who say it’s time to begin talks on a free trade agreement with Taiwan. The Trans-Pacific Partnership was originally viewed as a vehicle to counter China’s rising influence in Asia, but Republican and Democratic lawmakers now see a Taiwan pact as helping to accomplish the same goal after the U.S. abandoned the TPP.

“This is not only critical for diversifying our supply chains, but essential to reducing our reliance on other countries such as China who seek to leverage supply chain inefficiencies in their path to regional and global dominance,” the senators note in a letter to U.S. Trade Representative Robert Lighthizer. “A free and open Indo-Pacific is a goal that we need to actively work towards by countering China’s use of unfair trading practices and other policies to advance its economic dominance in the region. An agreement with Taiwan would help us accomplish this goal by building a network of like-minded governments dedicated to fair competition and open markets free from government manipulation and would serve as a signal to other nations that Taiwan is a viable partner that is open for business.”

And while the U.S. ag sector is largely in favor of any new free trade agreement that would do away with tariff and non-tariff barriers and open up new access for U.S. farm goods, the prospect of further antagonizing China is unnerving. **So far, Beijing has not allowed the recent increase in political friction to upset the “phase one” pact, but China’s claim of sovereignty over Taiwan is a major issue.**

Just last week, China lashed out at the U.S. after Kelly Craft, the U.S. representative at the United Nations, called for Taiwan to be a permanent member of the international body.

“There is only one China in the world, and Taiwan is an inalienable part of China's territory,” Xinhua, a government-run media outlet said, quoting a federal spokesman. “The government of the People's Republic of China is the sole legitimate government representing the whole China.”

But after China clamped down on Hong Kong, stripping the city of many of its freedoms that separated it from the mainland, Secretary of State Mike Pompeo says the U.S. is keeping a closer eye on Taiwan.

Pompeo, who on Wednesday is wrapping up a three-day trip to Japan to meet with allies in the Indo-Pacific region, blasted the Chinese in an interview with NHK for “refusing to live up to its commitments, the basic commitment it made to the people of Hong Kong that for 50 years they would be permitted to have one country but two systems, to live with some modicum of freedom. The Chinese Communist Party has ripped that asunder. And so we watch what’s taking place in Taiwan.”



Secretary of State Mike Pompeo

The 50 U.S. senators who wrote to Lighthizer last week want to go further than watching.

“As we look to advance our initiative for a free and open Indo-Pacific, we believe that now is the time to establish trade agreements with like-minded countries in the region,” they wrote. “Given their record as a longstanding economic partner and security ally, we highly encourage you to begin the formal process of negotiating a comprehensive trade agreement with Taiwan.”

And Taiwan has already made the first overture. **On Aug. 28, Taiwanese President Tsai Ing-wen announced that it will lift key restrictions on U.S. beef and pork.** On Jan. 1, the country is scheduled to lift its ban on U.S. beef from cattle under 30 months old at slaughter — a restriction that was based on mad cow disease fears — as well as ditch its zero tolerance for ractopamine residues in pork.

Most U.S. ag groups are not publicly lobbying or advocating for what could be a controversial FTA with a country claimed by China, but there is still a recognition that freer trade is a goal anywhere in the world.

The removal of the beef and pork restrictions would be welcome, says U.S. Meat Export Federation spokesman Joe Schuele, but an FTA would hopefully remove other impediments to trade, such as tariffs. Taiwan maintains a 12-15% tariff on U.S. pork and a roughly 5% tariff on U.S. beef. Taiwan maintains a 12.5% tariff on pork cuts and a tariff that ranges between 15% and 40% on pork variety meat. The tariff on U.S. beef is roughly 4%.

Any FTA that opens up more trade is a good thing, says Bill Westman, senior vice president of international affairs for the North American Meat Institute.

“To the extent we can get additional quantities there with lower tariffs, that helps us,” said Westman. “That’s what we strive for. It’s no different with Taiwan.”

Taiwan has a relatively small agricultural sector and wealthy population that is highly dependent on imports. **The U.S. is already its largest supplier for soybeans, beef and corn, but the country is also buying more and more U.S. fruit and dairy.**

The country also has a strong and growing pork sector that relies on imported grains.

“The U.S. soy industry has worked in the Taiwan market since 1969 with the intent to build relationships and support their soybean import and processing needs — recently we celebrated the 50th anniversary of our partnership,” U.S. Soybean Export Council CEO Jim Sutter tells *Agri-Pulse*. “With soy foods being a staple of the Taiwanese diet and the need for soy meal for their pork and poultry production, the Taiwan market continues to be a consistent and beneficial market for U.S. soybean farmers. We are proud of the work that we’ve done to achieve a high market share for imported U.S. soybeans in the market. For any of our export markets, free and reciprocal trade is critical to support our soybean industry during these uncertain times.”

And USDA’s Foreign Agricultural Service sees potential for growth in the Taiwanese market.

“Taiwan has one of the world’s wealthiest economies on a per-capita basis,” FAS said in a 2019 analysis. “Its economy is driven primarily by manufacturing of electronic and computer components, with agriculture accounting for only about two percent of Taiwan’s 2017 gross domestic product. Because of its dependence on imported agricultural products, Taiwan is expected to remain a large and growing destination for U.S. exporters.”

Study: Pesticides, limited food a double whammy for bees

A new UC Davis study shows the combined threats of food loss and pesticide use reduced blue orchard bee reproduction by 57% and produced fewer female offspring when reproduction did happen.

The study, published in the journal *Proceedings of the Royal Society B*, found that pesticide exposure had the greatest impact on nesting activity and the number of offspring the bees produced. Pesticide exposure reduced bee reproduction 1.75 times more than limiting their food.

“Just like humans, bees don’t face one single stress or threat,” said lead author Clara Stuligross, a Ph.D. candidate in ecology at UC Davis. “Understanding how multiple stressors interplay is

really important, especially for bee populations in agricultural systems, where wild bees are commonly exposed to pesticides and food can be scarce.”

The study was ducted by exposing bees to the neonicotinoid insecticide imidacloprid by treating some wildflowers with the product. Some environments also had a more limited amount of wildflowers available to the bees. The research found that pesticide-exposed and resource-deprived female bees delayed the onset of nesting by 3.6 days and spent five fewer days nesting than unexposed bees.

Co-author Neal Williams, a pollination ecologist and professor in the Department of Entomology and Nematology at UC Davis, said that’s a substantial delay considering bees only nest for a few weeks. The production of female bees is also crucial to determining the health of future bee populations.

“In the bee world, males don’t matter so much,” said Williams. “Male numbers rarely limit population growth, but fewer females will reduce the reproductive potential of subsequent generations.”

Despite COVID, this USDA agency is having a near-record year helping rural areas

For farmers and ranchers, Rural Development is one of the most little-known USDA agencies – even though its multibillion-dollar portfolio spans all states and territories, providing a broad range of crucial grant and loan programs to rural areas. These programs include grant funding and loan financing for water/wastewater infrastructure, community facilities, broadband, electric, telephone, housing, renewable energy and business development.

But the agency has not been without controversy, including when Ag Secretary Sonny Perdue decided not to give what had traditionally been the top rank and title of undersecretary to the person leading the mission area. In 2017, Perdue named Anne Hazlett to lead rural development with the title of Assistant to the Secretary and explained that he was limited by law on the number of undersecretaries that he could name.



Deputy Undersecretary Bette Brand.

Congress disagreed and recreated the position of undersecretary for rural development in the 2018 farm bill.

There’s still no undersecretary at the agency, but since February of this year, it’s been led by Deputy Undersecretary Bette Brand. Prior to her appointment, Brand served as the Administrator of Rural Development’s Rural Business Service agency. She came to USDA after 35 years with Farm Credit of the Virginias, where she served as chief advocate for the agriculture industry and rural businesses. Prior to this, Brand served as chief sales officer, overseeing the business development of a \$1.6 billion credit portfolio, managing a team of

commercial agriculture and agribusiness lenders, and supervising the association's marketing and branding. She's now managing an even larger portfolio.

In an interview with *Agri-Pulse*, **Brand says despite most employees working remotely, her mission area is experiencing a "paramount year," with the highest number of loan and grant obligations since 2010.** USDA estimates Rural Development obligated a total of \$39.7 billion in loans and grants this year.

"The field offices have done an incredible job and continue to be committed. And we've also done some strategic realignment in this administration, with the Central Business Center, the creation of the Innovation Center, and those sorts of things that have really, really helped us continue operating and serving our customers during COVID," she explained. Some of the questions and answers have been edited for brevity and clarity.

Agri-Pulse: Can you elaborate on the realignment and restructuring that you've done?

Brand: We've restructured our single-family housing guarantee program and are able to streamline and have consistency across the country. The way we are structured now helps us get these applications in and out on a much quicker basis and respond to our lenders much quicker. We've had one of the highest numbers in the single-family guarantee program in a very long time. Likewise, the Rural Business Cooperative Service was realigned, as well as two of our guaranteed programs, the Rural Energy for America Program (REAP) and the Business and Industry (BNI) program. We were able to streamline processes and have more bench strength in our office here. When loans have to come up to the national office because they exceed the delegated authority, the team up is much more coordinated because of these realignments.

You've also launched the "One RD Guarantee Program." How does that work?

It became effective Oct. 1 and provides a common application process for four major guarantee programs: The Water and Waste Disposal loan guarantee program, the Community Facilities guarantee program, the Business and Industry guarantee program, and the REAP guarantee program. It standardizes the requirements for credit reviews, loan processing, loan servicing, loss claims, those sorts of things. The new regulation took over a year to develop. We hosted many webinars to communicate with lenders about the programs and to iron out sticking points that were unique to each program. We were able to clean up the language and make it much more consistent across all four programs. With that, there's a commitment to be more responsive and provide an answer back to lenders. Once we have all the required information in, we have promised them 48-hour turnaround time. A lot of good things have come about, even though most of the team was working remotely. It really will help the people we serve.

Is your team fully staffed now?

We are not; we have a hiring plan that we are working towards and we've done some really creative things in that regard. We've figured out how to hire and onboard people remotely. Just last week, our HR department hosted a virtual recruitment fair through LinkedIn and had good success. This is probably a much broader, more accessible way for people to look for opportunities here at RD. And we're really happy. According to USDA, the RD staffing breakdown goes as follows: In FY20: RD had 4,272 full-time employees; In FY19: 4,385; in FY18: 4,589; and in FY17: 4,973. ([USDA Rural Development's new career website is here.](#))

The ability to have broadband access is so critically important. What's the status of the grants and loans you are providing to connect Rural America?

Broadband has certainly been a priority of rural development – it's not just something nice to have anymore, it is definitely a necessity. There's approximately 21 million Americans without access to high speed internet. Of those, 80% are in rural areas or tribal land. We're still really focused on that. Today, we have invested \$827.8 million in the Reconnect program. In round one, we invested \$698 million in 82 projects. And those included 167,000 households, 17,000 rural small businesses and farms, and more than 500 health care centers, educational centers, and community critical community facilities in 33 states. In round two, we have 172 applications. And of those, 11 are eligible for the hundred million dollars that Congress allocated through the CARES act. USDA has announced \$129.7 million and we have more to come. We would like to see that expanded beyond and include all the states and territories.

You received some additional money from Congress for distance learning and telemedicine. How are these funds being used?



Brand tours Siouxland Energy Cooperative

We received 534 applications for the additional \$25 million that we got through the CARES Act; those applications totaled \$252.1 million. So pretty close to 10 times the request for the dollar amount that we had. Of those that we received, it's just amazing. I was in Sioux Falls, South Dakota, two weeks ago and visited Avera, a regional health care system serving South Dakota, Minnesota, Iowa, Nebraska and North Dakota. It is amazing. We talked to another health care facility in Iowa, and to an individual working in Sioux Center Health. These rural health care facilities are connected virtually to a hospital in Sioux Falls through what Avera calls eCare using

interactive videos. It provides that extra colleague, whether it be a nurse or a doctor, and certainly helps increase the quality of health care provided in these rural communities. And we know it's hard to keep doctors and nurses in a lot of these rural health care centers. Through this eCare, they are able to use telemedicine to provide that colleague support when they need it. And they're finding that it actually results in medical professionals staying in those smaller communities. Certainly, the pandemic has really exacerbated the need for that, but I think we will see those benefits last way beyond the pandemic.

What else would you like farmers, ranchers and small business owners to know about access to RD programs?

First off, I want people to know that we are open for business and anyone can go to <https://www.rd.usda.gov/>, find the name and number of the state director, and they will put them in touch with the right specialist. RD has innovated the way we interact with our customers and rolled out programs through standardized toolkits and online outreach. We've hosted 74 webinars with more than 13,400 participants, including 32 COVID-related webinars reaching 6,400 participants. We are trying to get more award announcements out so hopefully, someone

will see themselves in the shoes of that award recipient and ask us about how it might work for them. We're more in the thought process of – tell us what you're trying to solve and we will get the team together to help you solve that – rather than having people memorize all our different programs and trying to see if they fit in. It can be overwhelming, because there's so many programs. For example, RD announced a \$250,000 investment to help Stensland Creamery in Larchwood, Iowa, launch sales of frozen pizza – the dairy's newest value-added product. This funding award was made through the Value-Added Producer Grant Program. Stensland Creamery will use USDA funding for working capital to expand the marketing and sales of pizza made with cheese produced by the Stensland dairy. In another case, the agency partnered with American State Bank to invest \$8 million in Siouxland Energy Cooperative. This USDA Rural Development Business and Industry Loan Guarantee CARES Act investment will be used to provide working capital for Siouxland Energy Cooperative, a 90-million-gallon-per-year ethanol plant that has been in operation since 2000. I am very passionate about rural communities. I grew up, I worked in rural communities. And when we say that, when rural America thrives, all America thrives. It is so true.

News Briefs:

US supports farm group lawsuit challenging Calif. animal cruelty law. The United States is backing the National Pork Producers Council and American Farm Bureau Federation in a lawsuit seeking to invalidate California's Proposition 12, which would ban the sale of pork from hogs raised without minimum square-foot requirements. In a brief filed in the 9th U.S. Circuit Court of Appeals, the federal government says the goal of the measure, approved by nearly 63% of voters in 2018, "is to prevent animal cruelty in other states," but that California "does not identify any in-state harm caused by the use of prohibited practices elsewhere and has deliberately declined to argue that Proposition 12 protects California consumers." NPPC and AFBF contend the law violates the Constitution's Commerce Clause by attempting to regulate businesses outside of California's borders. The sales ban, the government says, "dictates to out-of-state farmers how they must confine pigs and requires them to forsake more efficient and cost-effective farming practices permitted in their home states." Twenty state attorneys general also filed a brief backing NPPC and AFBF, along with other industry groups including the U.S. Chamber of Commerce, FMI-The Food Industry Association and the National Cattlemen's Beef Association. "A sow can only be housed one way at a given time, so if a farmer, feeder, finisher, processor, wholesaler, or retailer is located in a state that imposes a conflicting mandate ... it will be forced to choose between complying with its home-state regulation or Proposition 12," those groups said in their brief. Another challenge to the ballot measure filed by the North American Meat Institute has been stayed pending resolution of the NPPC/AFBF complaint, which was dismissed at the district court level.

CDFA awards specialty crop block grants. The California Department of Food and Agriculture has received \$23.8 million out of approximately \$72.4 million awarded by USDA for the 2020 Specialty Crop Block Grant Program. The SCBGP provides grants to state departments of agriculture to fund projects that enhance the competitiveness of specialty crops, defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). With the \$23.8 million, CDFA awarded grants for 58 projects, ranging from \$50,000 to \$450,000 to non-profit and for-profit organizations, government entities, and colleges and universities. Selected through a competitive process, these projects focus on increasing sales of specialty crops by leveraging the unique qualities of specialty crops grown in California; increasing consumption by expanding the specialty crop consumer market, improving availability of specialty crops and providing nutritional education for consumers; training

growers to equip them for current and future challenges; investing in training for growers/producers/operators to address current and future challenges; and conducting research on conservation and environmental outcomes, pest control and disease, and organic and sustainable production practices. In addition, CDFA made awards to first-time recipients through the “Additional Assistance for Historically Underrepresented Organizations” program. This program was developed for organizations that support beginning and socially disadvantaged farmers, including urban farmers, and/or promote increased access or nutrition education in underserved communities throughout California. For a full list of awards, [click here](#). The agency is currently [accepting proposals for the 2021 Specialty Crop Block Grants](#) until 5 pm. On Oct. 23.

New study says 40M jobs depend on trade. Agriculture has long pushed the benefits of exports to boost its business, but a new study shows the benefits also extend to other aspects of the economy. According to a [new study](#) from Business Roundtable, more than 40 million jobs were dependent on international trade in 2018. That number, according to the roundtable, represented one in five pre-pandemic jobs and two times as many jobs as prior to the North American Free Trade Agreement. “Free and fair trade supports U.S. manufacturing, farmers and service providers by reaching more customers, strengthening U.S. innovation leadership and creating good-paying American jobs,” Lance Fritz, president and CEO of Union Pacific and chair of the Business Roundtable Trade and International Committee,” said in a statement. “With tens of millions of American jobs at stake, Business Roundtable CEOs will continue to work with policymakers and key trading partners to promote rules-based trade that opens new markets and levels the playing field for American workers, farmers and businesses.” According to the report, over 647,000 jobs in agriculture, forestry, and fishing were related to trade in 2018.

New platform connects livestock and landowners to help prevent wildfires.

Whether you are a livestock owner looking for more forage or a landowner looking to reduce a buildup of fire fuel, [MatchGraze.com](#) can help. This is a free online platform connecting California landowners who want grazing animals to livestock owners with animals that can provide vegetation management services, created by UC Cooperative Extension. You’ll find a map displaying markers representing contract grazers with herds for hire, as well as locations available for grazing. From small semi-rural communities to large open spaces, grazing can provide an affordable solution to the inevitable accumulation of fire fuels, according to UCCE. Grazing can be more cost-effective for reducing fuels on landscapes that are too steep, rocky or remote for mowing or chemical treatment, or in the wildland-urban interface where burning is not an option. “I’ve noticed on several fires, including extreme fires, the fence lines where the fire just stopped. And the one variable, the one difference, was grazing,” said Marshall Turbeville, CAL FIRE battalion chief, in a release. “Every property is different and requires thoughtful consideration of how it should best be grazed,” said Stephanie Larson, director of UCCE in Sonoma County, UCCE livestock and range management advisor and co-creator of the livestock-land matchmaking service. “UC Cooperative Extension is here to serve, put MatchGraze to work and let’s prevent catastrophic fire while helping landowners and agriculture.”

Farmer sentiment rises on prices, CFAP-2. A measurement of farmer state of mind has reached its highest reading since the start of the coronavirus pandemic. According to the Purdue University and CME Group Ag Economy Barometer, farmer sentiment is up 38 points since July and 60 points since the 2020 low was established in April. A [release](#) accompanying the new data pointed to two factors for the rise in sentiment: USDA’s announcement of the [second round of the Coronavirus Food Assistance Program](#) and a rally in commodity prices. “The resulting

revenue boost from these two sources likely provided much of the impetus for this month's 18-point rise in the *Index of Current Conditions* and the 12-point rise in the *Ag Economy Barometer*," the release said. This month's survey also included several questions on cover crops. According to Purdue and CME, nearly 4 in 10 producers said they intended to plant some kind of cover crop in 2020. Two thirds of farmers who intend to plant a cover crop yet this fall have been planting them for more than four years; just 7% of respondents said this would be their first time planting cover crops. However, most producers who plan to utilize cover crops will only do so on a portion of their acres; just over half of respondents said they plan to plant cover crops on less than one-third of their acreage. The survey was based on telephone conversations with 400 producers from Sept. 21-25.

Farm Hands West: California Prune Board selects new officers

The California Prune Board has selected its officers and board members for the 2020-2022 term. **George Sousa Jr.**, industry veteran and President of Mariani Packing, has been elected to serve as board chair. **John Taylor** has also been newly elected to serve in the position of vice chair. Taylor currently serves as the vice president of Taylor Brothers Farms, located in Yuba City, Calif. Re-elected to the board is secretary **Dan Bozzo** of Triple B Ranch located in Gridley, Calif., and treasurer **Rajeev Davit**, Davit Ranches, Yuba City, Calif.



George Sousa Jr.

Heliae Development, a food and ag tech company focused on researching and developing microalgae for commercial scale production of products, has added **B. Pratyusha Chennupati** as its new regulatory affairs manager. Chennupati brings eight years of experience in regulatory approvals processing and compliance in the agricultural and food industries. She currently serves on the Canadian Agriculture Youth Council

Ducks Unlimited has named **Darin Blunck** as the new chief financial officer, effective immediately. Bringing over 20 years of service with Ducks Unlimited, Blunck previously was the director of conservation programs.



B. Pratyusha Chennupati

CropLife America has elected **Paul Rea** with BASF Agricultural Solutions as its newest chair of the CLA Board of Directors. He succeeds **Susanne Wasson** of Corteva Agriscience and will serve in the position for two years. Born and raised on a farm in New Zealand, Rea currently serves as the senior vice president of BASF Agricultural Solutions North America.

The North American Millers' Association (NAMA) has selected **D. Ford Mennel**, president of the Mennel Milling Company, to serve as the new chairman of the NAMA Board of Directors for the 2020-2022 term. Mennel is the fifth-generation member of the Mennel family to lead the business. He previously served as vice-chairman of NAMA

and is active in SNAC International, American Bakers Association, and Baking Industry Alliance. He succeeds **Robert Harper**, Hopkinsville Milling Company. **Brian Doyle**, president of King Milling Company was also elected to the board as the new vice chairman. **Trey Sebus**, Bartlett Milling Co. and **Dan Fetherston**, SEMO Milling LLC, were also elected to three-year terms on the NAMA executive committee.

Glanbia, a global nutrition group, has selected **Donard Gaynor** to fill the position of chairman succeeding **Martin Keane**, effective Oct. 8. Gaynor has been a director of Glanbia since March 2013. Gaynor retired in December 2012 as senior vice president of strategy and corporate development of Beam, Inc.

John Lagemann, Deere & Co.'s senior vice president of Ag & Turf sales and marketing for Regions 3 & 4, will retire on Oct. 31, Deere has announced to its dealer network. Lagemann worked for Deere for 38 years. In 2002, Lagemann was vice president of sales in the U.S. and Canada and is known for introducing the Dealer of Tomorrow (DoT) strategy and challenged the dealer organization to increase scale, invest in differentiating capabilities, and optimize its cost structure. In 2009, he was promoted to senior vice president of Region 4, which covers sales and marketing in the United States, Canada, Australia, and New Zealand. In 2012, he was promoted to his current position. Deere has announced **Dave Gilmore** will succeed Lagemann. Gilmore has 30 years of experience with Deere.

After 35 years of service, **Robert Clark**, senior vice president of supply chain, manufacturing, and enterprise sourcing at Kroger, has announced his retirement from the company, effective Feb. 1. Kroger has appointed **Gabriel Arreaga** senior vice president of supply chain, effective Oct. 1. Most recently, he served as senior vice president of supply chain for Mondelez International, Inc.

The Nobel Prize in Chemistry was jointly awarded to **Emmanuelle Charpentier** and **Jennifer Doudna** for the development of a method for genome editing, known as Crispr-Cas9, a kind of genetic scissors that allows researchers to change the DNA of animals, plants and microorganisms with extremely high precision. Doudna is a professor at the University of California, Berkeley and Investigator, Howard Hughes Medical Institute. "There is enormous power in this genetic tool, which affects us all. It has not only revolutionized basic science, but also resulted in innovative crops and will lead to ground-breaking new medical treatments," says Claes Gustafsson, chair of the Nobel Committee for Chemistry.

Best regards,

Sara Wyant
Editor

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